THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) Commercial Banks, Regional Rural Banks and Cooperative Banks issue Kisan Credit Card (KCC) to farmers for accessing adequate and timely credit in a hassle free and cost effective manner. The credit limit of a farmer is fixed on the basis of his operational land holding, cropping pattern followed by the farmer, agriculture practices adopted in the area, scale of finance approved by District Level Technical Committee and the repaying capacity of the farmer.

(b) A total of 4,05,706 KCCs (provisional figures) have been issued in Haryana by various banks during the years 2005-06,2006-07 and 2007-08 (upto 30.06.2007).

(c) to (f) The Banks have robust internal grievance redressal mechanism to address all customer complaints including those relating to KCC. Various instructions have been issued to banks from time to time in this regard. Any customer who has a grievance, which may relate to KCC loans, needs to be attended by the concerned bank.

Besides, as and when NABARD receives any complaint from the Government/any other agency in regard to irregularities committed by banks in issuance of KCCs to farmers, the matter is examined/taken up with the concerned bank, for taking suitable remedial measures.

Amendment of Indian Stamp Act

984. SHRI SHANTARAM LAXMAN NAIK: Will the Minister of FINANCE be pleased to state:

(a) whether Indian Stamp Act is proposed to be amended in view of recent stamp paper scams;

(b) if so, what changes are proposed in the law or the system;

(c) whether any State Governments have done away with the printing of stamp papers; and

(d) if so, which are these States and what alternative system these States have introduced or proposed to introduce?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) Consequent to the stamp paper scams, the Indian Stamp Act, 1899 was amended *vide* the Finance Act, 2004. By virtue of this amendment, payment of Stamp Duty by means other than physical Stamp Paper, including by electronic means, was allowed, by inserting the definition of "Stamp" to mean any mark, seal or endorsement by any agency or person duly authorized by the State Government, and including an adhesive or impressed stamp, for the purposes of duty chargeable under the Indian Stamp Act.

(c) and (d) Printing of stamp papers is done by the India Security Press (SPP), Hyderabad on the basis of Indents received from the State Governments/UTs. Only

Karnataka State Government has done away with the use of stamp papers, both judicial and non-judicial, with effect from 01.04.2003. Government of Karnataka is collecting the stamps fees of less than Rs. 500/- in cash and of more than Rs. 500/- either through demand draft or through Bank Challans, as alternatives to use of stamp papers.

Increased in REPO and CRR rates

985. SHRI RAJKUMAR DHOOT: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that RBI has decided to raise Repo and CRR rates for banks' lending leading to increase in the rate of interest on lending by banks;

(b) if so, details thereof; and

(c) what will be its impact on inflation and economic growth?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) On review of the current liquidity situation, Reserve Bank of India in its First Quarter Review of Annual Monetary Policy for the year 2007-08, decided to increase Cash Reserve Ratio (CRR) of scheduled commercial banks by 50 basis points from 6.50% to 7.00% of their net Demand and Time liabilities (NDTL) with effect from the fortnight beginning 4th August, 2007. However, RBI has kept the Repo Rate and Reverse Repo Rate unchanged at 7.75% and 6.0% respectively. The CRR does not have linear impact on the rates of interest, which are also affected by other factors like Bank Rate, Repo Rate, cost of funds, operating expenses, transaction cost, risk, etc. The interest rates are determined by the banks themselves with the approval of their Board of Directors after taking into consideration the above factors, in a transparent manner.

(c) The overall stance of monetary policy in the period ahead, *inter-alia*, is to reinforce the emphasis on price stability and well-anchored inflation expectations while ensuring a monetary and interest rate environment that supports export and investment demand in the economy so as to enable continuation of the growth momentum, greater credit penetration and financial inclusion, etc.

Protection of Senior Citizens savings

986. SHRI TARIQ ANWAR: Will the Minister of FINANCE be pleased to state:

(a) whether Government have any plans with the objective of protecting the savings of Senior Citizens by giving them a decent return on their deposit as increased by all the banks; and

(b) if so, the details thereof?